

Ownership of a LLC

Pyle & Dellinger, PL

LIMITED LIABILITY COMPANIES OWNERSHIP OF LLC

(One that does not provide professional services requiring a license)

One benefit of an LLC is that it can be owned by anyone or anything without the restrictions that apply to S corporations. Thus, an LLC can be owned by a revocable or irrevocable trust, a corporation, general partnership, limited partnership, or another LLC. There is no limit on the number of owners and no requirement that they be United States citizens or resident aliens, unlike the S corporation.

If an interest in an LLC is to be owned by a married couple, we normally recommend that the entire interest of the couple be owned by the two of them together, as husband and wife, with the designation of tenancy by the entirety. This means that if one dies, the interest passes automatically to the other. It also means that if one member of the couple (not both) gets sued for something in that person's individual name, the creditor has no claim on the interest in the LLC. Of course, we can take no responsibility for the effects of this upon a later separation or dissolution of marriage.